MR. CHAIRMAN : Anyway, the question is not coming up. The questioner is absent. *(Interruptions)*The question is not coming up because the questioner is absent. So, I go to the other question.

Question No. 162--Shri P. Upendra--not here Shri Chimanbhai Mehta. *(Interruptions).*

SHRRI PRANAB MUKHERJEE : Sir Question No. 162.

SHRI CHIMANBHAI MEHTA : Sir, ... *(Interruptions)*

SHRI SATYA PRAKASH MALAVIYA : The House has got the right to know whether Mr. Antony is the Minister. *(Interruptions)*

MR. CHAIRMAN : Will you kindly sit down? *(Interruptions)* In the pandemonium, somebody wants to talk. *(Interruptions)*

SHRI S. JAIPAL REDDY : Sir, we want your ruling. Who is the Minister? *(Interruptions)*

SYED SIBTEY RAZI : Sir, you have already given your ruling in the House.

MR. CHAIRMAN : The question is not coming up. The person who asked the question is not present. Both the questioner and the Minister are absent.

SHRI CHIMANBHAI MEHTA : Question No. 162.

श्री कैलाश नारायण सारंग : यह हाऊस बच्चा है । **(व्यवधान)** क्या क्या खाओगे ? **(व्यवधान)** तेल खा गये, शुगर खा गये **(व्यवधान)** सभापति महोदय, यह सब लोहा खा गये । **(व्यवधान)** पत्थर खा गये, तेल पी गये **(व्यवधान)** शुगर खा गये । **(व्यवधान)**

MR. CHAIRMAN : Will you please sit down. *(Interruptions)*

SYED SIBTEY RAZI : Sir, you have already started the Question Hour. It was not the understanding in the meeting which you had just now. I request you, Sir... *(Interruptions)*

MR. CHAIRMAN : Mr. Yadav, will you please sit down? Yes, Mr. Chimanbhai Mehta. Question No. 162.

Clearing the Refunds under Cash compensatory Support for Deemed Export

*162. SHRI P. UPENDRA :

SHRI CHIMANBHAI MEHTA† : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that undue delay has occurred in clearing the refund under supplementary CCS for the deemed exports amounting to more than Rs. 600 crores wherein local manufacturers have paid excise and customs for the products made for export ;

(b) if so, what are the reasons for the undue delay that has occurred in clearing the refund ;

(c) whether it is also a fact that wrong signals have gone to deemed exporters to recover their legitimate refund in time ;

(d) what is the time stipulated for the refund and the span of time deley that has occurred ; and

(e) the action Government propose to take in this regard?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE) : (a) to (e) A Statement is laid on the Table of the House.

Statement

(a) Some delay has occrred in clearing the claim relating to deemed exports. As on 1-12-1994, the amount to be refunded on deemed export supplies stood at Rs. 243.49 crores.

(b) Inadequate budget provision and staggered release of budgeted funds has led to the delay in clearing the pending claims.

(c) Understandable difficulties have been caused to suppliers of "deemed exports" items on account of the delay in settlement of their claims.

(d) As and when funds are received, the claims are paid immediately, after necessary scrutiny.

(e) The Ministry of Finance has already been approached for lumpsum release of balance budgeted funds at one stroke as well as an additional budget grant of Rs. 159 crores upto 31-3-95 to clear pending claims.

MR. CHAIRMAN : First supplementary. *(Interruptions)*

श्री कैलाश नारायण सारंग : यह क्या जवाब देंगे? **(व्यवधान)**

श्री चिमनभाई मेहता : यह जो बात है ... **(व्यवधान)**

MR. CHAIRMAN : Allow the Member to put his supplementry. *(Interruptions)*

† The question was actually asked on the floor of the House by Shri Chimanbhai Mehta.

SHRI CHIMANBHAI MEHHTA : Sir, it becomes very difficult to put the question. *(Interruptions)* Bring discipline amang your own Members *(Interruptions)*

श्रीमती जयन्ती नटराजन : जवाब सुन लीजिये ।

श्री कैलाश नारायण सारंग : सारा देश खा रहे हो, अब क्या जवाब देंगे । (**व्यवधान**)

श्री जनार्दन यादव : शुगर । घोटाले में कामर्स मिनिस्ट्री भी है । (**व्यवधान**)

श्री कैलाश नारायण सारंग : शर्म तुम को नहीं आती । (**व्यवधान**) सब खा गये । (**व्यवधान**)

श्री जनार्दन यादव : कामर्स मिनिस्ट्री भी बाकायदा इसमें है । (**व्यवधान**) इनको जवाब देने का कोई अधिकार नहीं है । (**व्यवधान**)

SHRI CHIMANBHAI MEHTA : Sir, they are encroaching upon my right to put a question. *(Interruptions)* The Opposition has no right ... *(Interruptions)*. You are the people who are creating the problems. The Chairman is not creating the problem ... *(Interruptions)*

MR. CHAIRMAN : Will you please put your supplementary?

SHRI CHIMANBHAI MEHTA : Sir, I am putting my question. Sir, the Minister has replied in the statement that Rs. 243 crores are pending for payment.

As you know, this scheme of cash compensatory support is mainly for encouraging exports in a highly competitive export market. This delay in non-payment of nearly Rs. 250 crores shows that there is no intention to pay. The Finance Ministry is prepared to make allocations during the financial year for so many things, but not for exports. This is the sort of attitude they have.

My question is : Would the hon. Commerce Minister explain to the Finance Ministry the importance of exports in such a competitive market? It has been mentioned here that an amount of Rs. 243 odd crores is pending as on 1-12-1994. An amount of this order has always remained pending since the last two-three years. Why is it so? Why did not the Commerce Ministry take steps to tell the Finance Ministry to change their attitude? Why did you not tell them that the money should be paid immediately because it is a very highly competitive market ?

SHRI PRANAB MUKHERJEE : Mr. Chairman, Sir, so far as the scheme of cash compensatory support is concerned, as the hon. Member is aware, we have now replaced it with four other schemes, namely, refund of terminal excise duty, duty drawback providing facilities through duty free imports and special import licences. These four facilities are being provided to the suppliers of goods and services which are considered as deemed exports.

So far as deemed export are concerned, it is not that physically exports are taking place. It is on the concept that foreign exchange earned and foreign exchange saved should be treated on par. The duty drawback scheme is being operated by the Ministry of Finance, Department of Revenue, itself. The terminal excise duty refund scheme is being operated by the Directorate of Foreign Trade under the Ministry of Commerce. The procedure is that the recipients of these refunds have to put in their claims. After they put in their claims, they are scrutinised and their dues are paid. Keeping this in view, tentatively, we had asked for about Rs. 500 crores. Naturally, the Finance Minister has also his own problem in regard to providing the necessary budgetary support.

Sir, the pending amount is Rs. 243.49 crores as on 1-12-1994. But the House would shortly be passing the Supplementary Demands for Grants wherein about Rs. 113 crores have been asked for by the Ministry of Commerce. Once these Supplementary demands for Grants are passed, to that extent, we would be able to meet the requirements of these deemed exporters.

SHRI CHIMANBHAI MEHTA : Sir, as far as the Finance Ministry's problem is concerned it is for the Commerce Minister to know. But they have been saying that there is buoyancy in revenue collection. They say that they are collecting more revenue from excise and customs. Therefore it is a question of the kind of approach which the Finance Ministry is having. That is the bottleneck. The Commerce Ministry is having a positive approach. In the case of these deemed exports, on the things which they import for manufacturing goods, customs and excise are paid. To make our goods competitive in the foreign market, we are giving this cash compensatory support.

Now, it is not that money is not there. The money is there for some other purposes. They are not giving money for this purpose. Just now the Commerce Minister has said that the Finance Ministry is providing in the Supplementary Budget around Rs. 150 crores or something like that. But Sir, you require Rs. 500 crores. At the moment, it is Rs. 243 odd crores. By the end of March, there would be further arrears. Here, I would bring one thing to the knowledge of the hon. Minister. I have been told by some people that the exporters have to visit the bureaucrats.

They give the excuse of the Finance Ministry, this and that and delay giving this kind of cash compensatory support.

MR. CHAIRMAN : Please frame your question.

SHRI CHIMANBHAI MEHTA : Even legitimate subsidies are being paid after two or three years because, till the whole thing is cleared by the bureaucrats, it is not done. Clearance means so many things. Therefore, would the Minister make a provision in the supplementary budget for the entire amount to be covered up to March, or is he just making an ad hoc arrangement? This is my question.

SHRI PRANAB MUKHERJEE : Sir, I am not making any ad hoc arrangement. In fact, I have made a schedule that month by month the payment should take place. And about Rs. 113 crores, which I referred to, may come in this batch of supplementary demands. Honourable Members are aware that normally we have three batches of supplementary demands, and the third batch of supplementary demands will come even after presentation of the budget. So I do hope it would be possible for us to clear the backlog as far as possible by 31st March so that the exporters do not suffer. Generally I agree that they require some support. Because the ability of the Government to provide support to the exporters through the cash compensatory mechanism has been limited we have to reduce our subsidies. So there are some problems which we are facing and we are trying to compensate and make the exporters compentitive by providing them facilities to import raw materials, technology components, equipment and capital goods at concessional rates but, surely, that is not a substitute for the cash support which they used to have.

श्री राघवजी : सर, माननीय मंत्री जी ने अपने उत्तर में यह बताया है कि यह राशि 243.49 करोड़ की है । यह राशि कोई छोटी-मोटी राशि नहीं है । लेकिन इसका जो कारण बताया है वह और भी दयनीय है । उन्होंने कारण में यह लिखा है कि "अपर्याप्त बजट प्रावधान और बजट वाली निधियों की ढीली रिलिज" यह कोई कारण नहीं होना चाहिए । क्या शासन को इस बात की जानकारी नही थी कि यह निर्यात होगा तो इसके लिए यह राशि वापस लौटाना पड़ेगी ? अगर यह जानकारी थी तो प्रावधान में क्यों नही किया गया और रिलीज ढीली होने के क्या कारण है ? आखिर बजट का जो प्रावधान है उसको ढीली रिलीज करने का क्या मतलब होता है ? मैं माननीय मंत्री जी से यह भी जानना चाहता हूं कि यह राशि कब से पैंडिंग है और क्या इस पर ब्याज भी दिया जाएगा या नहीं ?

SHRI PRANAB MUKHERJEE : Sir, I do not know how the word "staggered" has been translated as *"dheemi"*. *"Dheemi"* means slow.

SHRI RAGHAVJI : *"Dheemi"* means loose. ... *(Interruptions)* ...

SHRI PRANAB MUKHERJEE : Now let me understand. The exact English word is "staggered." "Staggered" means that we spread it over a period of 12 months. If the hon. Member is interested, I can give him the figures of the 12 months, but inadequacy of the budget is there. That is why there is the need for supplementary demands, and all these are estimates. So far as the deemed exports are concerned, we make a general projection of the exports. Of that, a percentage is the deemed export and about 85 to 90 per cent is physical export. So always there will be an element of assessment and estimation and, while making that estimation, as and when claims come, we not only provide in the main budget but also in the supplementary budgets. And surely, Sir, we cannot provide for interest on the subsidies which we are providing for them.

Drive to Check Quality of Products

*163. PROF. VIJAY KUMAR MALHOTRA : Will the Minister of CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state :

(a) whether the Bureau of Indian Standards (BIS) has undertaken a surveillance drive to check the quality of products;

(b) if so, the details of the items on which BIS is applicable at the moment and the outcome of the surveillance drive; and

(c) the details of the items which are proposed to be brought under BIS and by when?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS ON BEHALF OF THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI H.R. BHARDWAJ) : (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) to (c) The number of products presently covered under BIS Product Certification Marks scheme is 1438. The Scheme is voluntary except in the case of 125 standards [details in Statement 3 1 *(see* below)] whose certification by BIS has been made compulsory under the Quality